

THE READY-TO-WEAR INDUSTRY

1900-1950

By Florence S. Richards



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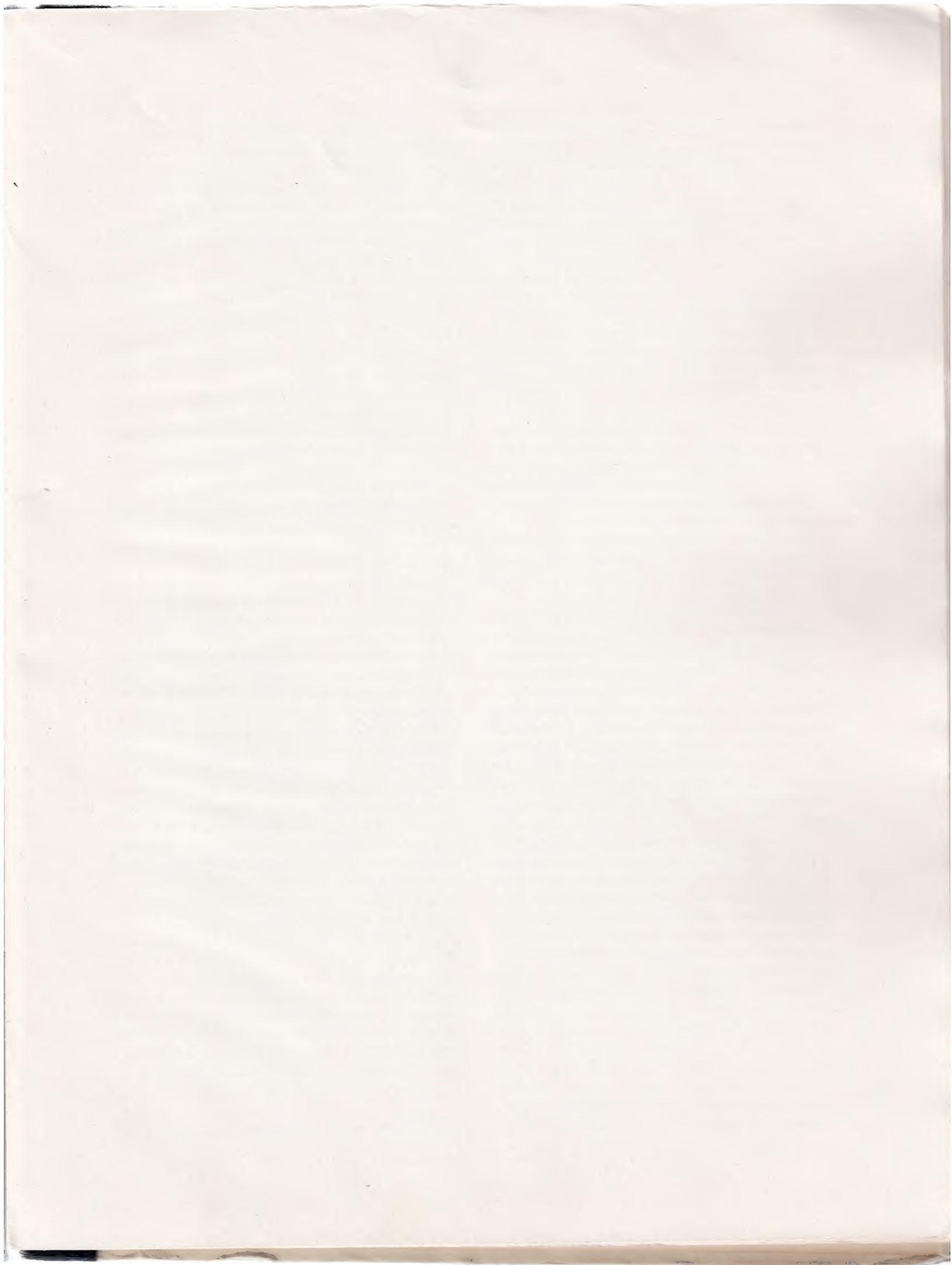
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CHAPTER ONE

ROOTS WHICH NURTURED AN INDUSTRY

Seventh Avenue, the heart of the women's fashion industries, stands as a striking symbol of the power and wealth that have been achieved. It reflects, however, very little of the early infancy of the business which has come to maturity in a little more than a hundred years.

The fashion industries, in spite of their brick and mortar and great capacity for earning money, have been built without a revolutionary change in machines which has spurred the growth of practically every other manufacturing trade. The sewing machine, invented in 1846 and on an industrial footing in 1849, is still the heart of the industries.

1849—Beginning of the Industry

With that start by some unknown entrepreneur in 1849, the fashion industries, whose earnings are still fabulous, took shape, while the Gold Rush to California in 1849 is just another quaint memory. Just twelve years later, in 1860, the eighth census of the United States reporting on the women's clothing industry for the first time, enumerated 96 manufacturers who turned out cloaks and mantillas to the value of \$2,261,546 annually on a capital investment of \$473,000. About 15 were New Yorkers who accounted for about one-fourth of production—\$618,400. Boston was not far behind with 10 cloak shops turning out garments valued at \$462,000 yearly.

Total wages earned in the women's wear industry in 1860 came to \$1,193,032. Women far outnumbered men in the cloak factories, which employed 1,532 female and 46 male hands. The New York market employed 379 women and 18 men, and the Boston market 273 women and 12 men.

In the entire industry 4,850 out of 5,739 workers were women in 1860. Men cutters entirely displaced women cutters in cloak shops after the cutting knife was invented in 1876. Next they started to elbow women out as operators as increased waves of immigrant German, Austrian and Hungarian tailors flooded the market around 1880, when 22,253 out of the total working force of 25,192 were women. This left just the finishing and pressing departments for women, and invention of pressing machines in the

late '90s was a further step in crowding women out of the industry. In 1888, over 45 per cent of all cloak and suit workers in New York were women; by 1900, the percentage had shrunk to 23.6 per cent.

Since it was the oldest of the women's garment industries in 1860, it was natural that the cloak and suit branch should have over half of the total number of establishments, 96 out of 188, and that its total value of product should come to over one-third of the entire industry's total of \$7,181,039. But hoop skirts appropriately covered the most ground at that time in value of product and number of workers. Hoop skirt factories resembled iron and steel mills, more than garment shops. The largest hoop factory at that time employed 1,600 hands, sixteen times as many as the largest cloak shops.

Though the sewing machine was responsible for the modern women's garment industry, the Civil War gave it its first tremendous shove forward, as production of uniforms swelled garment-making facilities. When demand for uniforms ceased, production was partially diverted to women's and children's garments. During this decade many smaller shops entered the business and manufacturers inaugurated the system of sending cut garments to small towns to be sewn at home.

Historical Background: 1791-1849

Recognition of the women's wear industry by the 1860 census coincides with its transition from home sewing or custom tailoring to factory production. Alexander Hamilton estimated, in his 1791 "Report on Manufacturers," that in many districts from two-thirds to four-fifths or even nine-tenths of all clothing was home made. This pattern continued in many communities until after the Civil War, and in some well into this century.

During the 18th and 19th Centuries, many American women met their clothing needs by taking their own materials to tailors, dressmakers, and mantua-makers. Fashion was considered important enough in 1819 to be accused of contributing to the declining marriage rate. In 1857 some economists blamed women's extravagant clothes for the industrial crisis.



Hoop skirts being made in a factory.

Commercialization was advanced when dressmakers and tailors began selling yard goods and experimented in making up furnishings in advance of orders. Dolls, called "babies," dressed in European styles, were one of the greatest drawing cards of these establishments. Before 1776, most of these "babies" came from England. From our Revolution to the French Revolution, French fashions were most desired. American women traveling abroad were begged to send "babies" to their friends back home. Shopkeepers could be sure of getting customers into their stores by advertising that a "baby" had arrived. Later, fashioned magazines replaced "babies" as a style source.

Wealthy colonial women imported their clothing as far back as the 17th Century and each century the import trade increased. Rural stores began to carry ready-made garments—some imported—in addition to yard goods, as railways opened up the West and South.

Men's Wear Factories an Inspiration

Men's clothing factories were running as early as 1831, so the women's trade had this example as an

inspiration, as well as the growing European ready-to-wear trade. Men's ready-mades originated in Slop Shops, so named because they were made for sailors and would consequently be stowed away in slop chests during whaling and other seafaring expeditions. Though records do not exist on the first women's enterprises, it is thought that as shopkeepers made up supplies for sailors who might not be in port long enough to have clothes made-to-measure, custom tailors and dressmakers made up garments without orders and sold them to retail stores, where they were doubtless resold to women about to make long journeys on schooners—prairie schooners. Department stores also probably had their dressmakers make up garments for stock or for sale to country stores and peddlers.

The clumsy early sewing machines were hard to operate. Elaborate models did not lend themselves to mass production and as in the men's trade, greatest demand for ready-mades came from the least fastidious. Sewing operations were not broken down until after the founding of the Union Special Machine Co. in 1881. Progressive line assembly was adopted after the moving of one garment to the next machine caused a



European immigrants arriving at the Battery.

"bottleneck. Then the progressive bundle system was tried.

Industrial Development: 1860-1890

Between 1860 and 1880 product value of the women's wear industry soared to \$32,000,000 as 374 new establishments brought the total number to 562. No longer largely confined to New York, Philadelphia and Boston, the industry had branched out to Baltimore, Chicago and Cleveland. Even in 1860 the census listed some firms in Tennessee.

By 1880 German and Austrian Jews had pretty well cornered the ready-to-wear industry. In their mother country they had entirely dominated both the new and second-hand clothing business, so they logically drifted into the same business in their new life. As in the men's industry, the traditional procedure was to start as a peddler, then establish as retail merchants, and finally branch into manufacturing.

The year 1880 also stands as a dividing line for several other important and interdependent developments. In the decade following, immigrants swarmed in from Eastern Europe. During the remainder of the century over 580,000 Jewish immigrants came to this

country, some lured by the call of industrial America, many seeking to escape persecution in Austria, Poland, Rumania, and Russia. This migration raised the proportion of Jewish immigrants from 3.7 per cent of the total from 1881-1890 to 10.7 per cent in the '90's. Most of these immigrants entered the clothing business, as employers or employees, and it quickly recovered from the depression of the '70's. By 1890 there were 1,224 women's wear firms.

During this decade value of output increased from \$32,000,000 to over \$68,000,000 and capital from over \$8,000,000 to over \$21,000,000. Suit shops became more important, skirt plants multiplied rapidly, and more dress firms entered the field. But cloak shops increased most rapidly, in New York alone from 165 in 1886 to 207 in 1890. Large shops grew larger and several opened in smaller centers, but this trend toward decentralization left no vacuum in New York, because of the rapid growth of the waist and underwear trades, which operated as big business from the outset.

New York State and Illinois showed the greatest growth in working force from 1880-1890, when the women garment workers increased from 25,192 to

39,149. Though women still outnumbered men in the industry, the rate of increase was much greater for men, from 2,594 to 12,963.

The Contracting System

Though some contracting had been done before 1880, the system did not become widespread until 1882. Some large merchants and manufacturers owned inside shops, but many preferred to deal with contractors who operated outside shops and made up the manufacturers' cut garments. To make a profit, contractors had to pay their workers less per garment than they themselves received.

Originally outside shops had been fairly large, but as every immigrant and his brother tried to get into the clothing business through this route, the size of individual shops shrank. From 1879-1899, the number of workers per contractor decreased from 45 to 32, and less abruptly in the next decade to 31 by 1899. All that was necessary to start in business was to round up a few workers, and obtain bundles of work from a manufacturer or wholesale merchant. Fifty dollars was considered adequate capital for embarking on this career in the 80s. Between 1889-1899, the women's clothing industry grew three times as fast as other manufacturing, measured by number of workers and value of output. New York's industry grew fastest and by the last year of the 19th century the value of its product had risen to 64.5 per cent of the total.

Labor was a dime a dozen. In New York the contractor would stroll over to the "Pig Market," as the informal labor exchange which grew up around Essex and Hester streets was called. Here the most recent shipload of greenhorns would be waiting for one of their countrymen to offer them jobs. In Philadelphia and Baltimore, manufacturers met the boats directly to get workers.

Not only the steady stream of immigrants but the simple setup of the early clothing industry encouraged contracting. Sewing machines were not exorbitant and were easy to install. They could be bought on the installment plan or rented. Many contractors required their workers to furnish their own machines, thread, and needles. Some even taxed them for their jobs.

By 1893 though New York had around a hundred cloak houses, only about half of these manufactured directly. Some of the larger manufacturers, who became known as warehousemen or sometimes as merchant capitalists would require the services of 25-30 contractors to keep up with the expanding markets of an expanding country. Chicago also operated mainly on the contracting system, but it was less im-

portant in Philadelphia, Baltimore, and Cleveland at this period, though ten or twelve years later it spread to these markets also. Formerly, most selling had been done in the markets, but freed from manufacturing, the warehousemen took to the road, or directed their traveling salesmen.

Each market had a handful of large firms, originally inside factories, which set the pace for the local industry. Among the pioneers in New York were Oppenheim, Collins & Co.; Friedman Bros.; Julius Stein & Co., and Blumenthal Bros. Chicago's "Big Three" were Joseph Beifeld & Co.; F. Siegel & Bros., and Marshall Field & Co.; Blum Bros., Strawbridge & Clothier, and Frank Bros. were Philadelphia's pride. In Baltimore, the main factors in the cloak industry were Fugle & Co., and Ulman & Co.; Hutzler Bros., in the dress trade, and Hozman Mfg. Co. for underwear. Day, Callaghan & Co. was Boston's outstanding firm.

The Sweat Shops

Today other businesses envy the garment trades their strike-free existence. Emerson's theory of compensation would probably explain that today's situation grew out of one of the most sordid chapters in American business. As more and more contractors entered the field, and manufacturers took advantage of the situation by pitting one against another, profits could be made only by "grinding the faces of the poor."

By 1893, according to New York's factory inspector's report, cloaks were made almost entirely by sweat shop workers. Though sweat shops and the contract system are usually considered synonymous, conditions in many inside shops were on no higher levels, and an occasional contracting shop might be more wholesome than some inside shops.

Unsanitary conditions, long hours, and low wages helped to give the sweat shop its unsavory name. Public opinion became aroused when epidemics broke out, and women objected to having their clothes made in tenement rooms, where people cooked, ate, and slept. Sometimes, to save rent, workers slept on the manufacturers' bundles. Epidemics were hard to control among workers on starvation wages, and an 84-hour week, plus overtime, did not allow leisure time for recuperating. Inside shops at this time operated on a 60-hour work week, but overtime in many instances brought total hours into the sweat shop class.

New York's 10th Ward became the most publicized of the sweat shop districts, with Chicago running a close second for worst conditions.

An investigation in 1872 disclosed that for many the weekly wage was \$1.50. More fortunate workers



A sweat shop during the industry's dark age.

earned almost \$3, and the fortunate few made as much as \$10 a week or more. Girls on the piecework system earned 25 cents a garment, and could make only two a day. Most workers took work home to eke out a living.

Improvements came slowly, if at all. A Massachusetts report in 1884 revealed that shop people had to work very hard to average \$6 a week the year round. Piece rates had apparently dropped to 15 cents and then been reinstated at 25 cents for coats—22 cents for a short coat, including two rows of stitching around the edge and attaching 30 buttons. Baltimore, then as later, was a low-wage town whose wage earners averaged \$3.50-\$5 a week, by working far into the night. The piece rate for lace dresses in this market was 50 cents, and for a skirt 17-19 cents. New York's wage for men had climbed as high as \$15 a week by 1883, but dropped to \$6-\$7 in 1885, as sweat shops multiplied.

In 1886 a group of intellectuals organized an anti-sweating league, which may have had some effect on the market, for in 1888 the average wage was \$12 a week.

Aroused social consciousness penetrated to the

lawmakers in the 1890's and a long succession of Federal and State laws gradually ushered the sweat shop out. In 1892 an ineffectual law limited the personnel of tenement sweat shops to residents. The law of 1899 was more effective, for it required a license for anyone who planned to use a room or rear building tenement.

Since contractors were deterred from using living quarters for workshops, there was a general exodus from the East Side tenement district of New York to regular manufacturing sections. In this migration many employers modernized their shops by installing lighter and more specialized machinery, including braiders, corders, seamers, binders, and improved cutting and pressing equipment. Only a few factories had used steam instead of foot power, but as electricity became more available in the 1890's, the electric motor removed one of the workers' grievances. Some had blamed foot power for the prevalence of consumption in the needle trades.

The final year of the century marked another turning point in many phases of the industry—between industrial and craft production, as exemplified in the inside or outside shop, or factory and sweat-shop, and

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between the Russians and Germans. Several well-known firms, Meyer Jonasson & Co., Blumenthal Bros., F. Siegel & Co., Friedlander Bros. and others left the field to become bankers, wholesale cloth mer-

chants, or department store owners. The Moths of Division Street, as the Russian contractors had been called, had forced the German giants of Broadway to retreat.

CHAPTER TWO

1900-1910 : GROWING PAINS

The ILGWU

Employers were annoyed, but not alarmed, when in 1900 a small union with a big name was organized—The International Ladies' Garment Workers' Union. For nine years it marched ahead, or sometimes backward, without exerting any noticeable influence on the market—but in and after 1910 it gained such stature as to be a determinant in the industry forever after.

During this decade the women's wear industry continued to forge ahead faster than the average industry but less spectacularly than in the previous decade. Industry in general at this time, especially from 1899-1904, was preoccupied with trusts and combinations. Though men's wear promoters became obsessed with this trend, except for textile mergers, it hardly touched the women's wear industry.

There was a tendency toward concentration with the average number of workers per establishment increasing from 31-35, while firms employing less than 20 workers fell from 50.6 per cent of the total to less than 42.7 per cent. Medium-sized establishments, employing 20-100, advanced from 39.7 per cent to 48.6 per cent of all firms.

In the first decade of the 20th century the industry entrenched itself further by producing a greater variety of garments formerly made in the homes. During the panic of 1907-1908, as in the one of 1893-1896, many former custom-made devotees were converted to ready-mades. Branching out to more fastidious consumers was accelerated by producing and classifying different grades of merchandise—cheap, medium, better, and high. Shirtwaist manufacturers tentatively branched out into dress manufacturing, though Charles Dana Gibson's shirtwaist girl looked as if she would remain popular forever.

What the Arrow Collar Man was to the men's industry, the Gibson girl was to women. She was tall, well-groomed, the New Woman who looked the world in the eye, instead of looking shyly with downcast eyes, as was expected of her predecessors. The automobile contributed to her emancipation, freeing her head from the weight of the overpowering Merry Widow hat, and her legs from the entanglement of voluminous skirts.

New Immigrants

Italian needle workers flocked to this country, on the heels of the eastern European migration, and also gravitated into the clothing industry. In 1900 about 15 per cent of all needle workers were Italian. By 1905 Jewish workers comprised 55 per cent of all workers in the shirtwaist and dress industry; Italian workers 35 per cent, while native American workers dwindled to 7 per cent. The 20th century immigrant, like the New Woman, was less docile than the 19th century model. Many had been revolutionists in Russia and Italy. Some merely marked time at first, waiting for a European upheaval to repatriate them. When they gave up hope of returning to Europe, they transferred their zeal to the American labor movement.

Much of their venom was directed against their own countrymen, penny-pinching Eastern Europeans and Italian employers in small and medium-size shops who beat their more unwieldy German competitors at every turn. They obtained cloth and other materials through bankers and made up their own samples, with no profits diverted to designers who had to be financed on expensive trips to Paris. Their output was marketed by jobbers who acted as middlemen between them and the buyers.

Decline of the Jobber

Jobbers became less essential as more and more buyers visited New York, Chicago and other markets yearly or twice a year, and as credit agencies, resident buyers, and commission houses increased in number. Small-to-medium manufacturers also saved on rent. They did not have showrooms, or employ models.

Unlike the anonymous small houses, large firms tried to win prestige and a following for their trademark through national advertising. With no reputation to uphold, small operators exploited their immigrant workers, most of whom did not know the prevailing wage rate, and were powerless to fight back when intentional mistakes were made in their pay. Many employers made a good thing out of fines, re-sales, and taxes—up to 300-400 per cent on cloth spoilage, 20 per cent on electricity, 25 per cent on broken needles and worn-out leather belts, various



Greene Street was the prototype of Seventh Avenue before 1910, when the industry was located south of Washington Square.

finer on lateness. They lost no money selling their workers 4-cent spools of thread for 6 cents. A locker cost the worker 25 cents and some charged rent on the worker's chair.

The Condition of Labor

Employers suffered amnesia when departing workers tried to redeem shuttles and bobbins for their dollar deposits. As many as 10,000 New York needle workers had to kick back about 3.5 per cent of their earnings in this spoils system, as late as 1910. About half of the workers provided their own machines and subcontractors often owned several. Shops which provided machines made the workers keep them in repair.

These small firms chiseling out small profits had remarkable tenacity, outstaying their larger competitors and getting virtual control of the industry early in the century. Names like Jonasson, Friedlander and Blumenthal disappeared from the women's wear roster. Though the majority of the survivors had less to contribute to the industry than the larger, more ethical manufacturers whom they had forced into

bankruptcy, or into the back seat, in the mass they enabled New York to corner the cheap clothing industry and helped American women to earn the reputation of being the best dressed in the world. In 1909 New York City manufactured 69.3 per cent of the country's clothing, more than twice as much as the other 24 centers of 50,000 population or more, producing women's wear.

Labor did not have much to hope for with the penny pinchers in the saddle, though economists justified the demise of the large firms by saying that small shops could accommodate themselves to style changes more rapidly. Plants employing over 100 workers declined from 9.5 per cent of the total number of firms to 8.8 per cent in this decade.

Contracting and Subcontracting

Contracting, resulting in sweat shops, had been the scourge of the '90s and continued in the new century. But instead of 90 per cent of output issuing from contractors employed by large warehousemen as in 1890, by 1900 only one-fourth came from contract shops. Contractors were now paid on a percentage

basis, instead of a set price per garment. In Pennsylvania and Maryland, contracting prevailed, but in New York the small or medium size factory, of 20-50 workers, became dominant. In some shops the worker made the entire garment. Others developed extensive breakdowns, with a garment progressing through 20-30 operators. Another method was for a set of half-a-dozen workers to team up on a single garment.

Contracting begat the more insidious inside subcontracting, which became standard practice in most shops by 1910, and subcontracting begat sub-subcontracting. A skirt contractor might hire a dozen subcontractors, each of whom would hire three or four sub-subs. Inside subcontractors frequently employed several helpers. Pressing became almost entirely a subcontracting operation. Top men in this setup—the subcontractors—might make excellent wages, from \$100-\$150 a week, though most of the work was done by helpers working alongside them who made only \$6-\$8 a week. Shops which did not resort to subcontracting paid their pressers from \$12-\$15 a week in 1900, \$14 in 1910.

During the subcontracting era, wages either marked time or went down. Few cutters earned as much in 1910 as they had twenty years earlier. The average operator in 1900 earned from \$15-\$20 a week; the highly skilled as much as \$40. In 1910 the upper bracket stopped at \$18. Cloak and suit workers who made as much as \$30-\$40 in 1910 were rare enough to be targets for the majority who took home only \$10-\$12 a week. They were dubbed Tammany Hall men or Front Pew men. Learners on apprentice wages accounted for 20-25 per cent of the working force, a further depressant to wages. They seldom made over \$3-\$4 a week, though occasionally one got as much as \$6.

Wages fluctuated with the season, and style changes threw them as well as production out of gear. Some worked on piece rates, others for a weekly wage, though few companies had a regular pay day. Wages varied, too, with the shop's system of production. Some employers held up operators' checks until finishers and pressers had processed the garment. Wage standards were difficult to establish in this chaotic scene.

Working Conditions

Employers favored subcontracting because it freed them from the necessity of dealing with foremen. It enabled the ambitious small manufacturer to get ahead, without having to assume responsibility for his producers. To the average worker it was an unmitigated evil, for though it eliminated the number of foremen the employer had to deal with, it multiplied

the number which pyramided up from the base worker, each profiting by paring down the wages of the worker underneath.

Improvement in hours, if any, was usually theoretical rather than actual. Though the larger shops aimed at a 9- or 9½-hour day, this commonly stretched out in busy seasons to 14-16 hours. Workers frequently arrived at 5 a.m. to stay as long as the gas lights remained on. Workers in 1910 still took bundles home, to have their wives and children help boost their low wages, and help with rush work as their fathers had twenty years before.

Sanitary conditions did not improve as the trade grew. Toilets remained in the backyard, or if inside, were seldom kept in order. As late as 1910 over 1 per cent of the women's garment shops were in converted tenements or rear buildings, and those in loft buildings were usually just as unsanitary. A Sanitation Board which inspected 1,200 shops in 1910 reported that "none of the shops could be said to be in a thoroughly good condition from the point of view of sanitation and fire prevention with one exception." This exception was not the Triangle Waist Co., where the next year, on March 25, 1911, fire took the lives of 146 workers and aroused public opinion to demand reforms.

Employers could not launch a movement to improve conditions, for there was no continuity of leadership. Newcomers, determined to get ahead at any price to the workers, had pushed old leaders to the wall. But history repeats, and the Moths of Division Street who had vanquished the Giants of Broadway, carried away by their victory, began to emulate their former competitors. They rented large Broadway or Fifth Avenue shops with fancy showrooms and farmed out work to contractors. While they were enjoying their delusion of grandeur, a new crop of Division Street moths swarmed on Broadway, but this new hatching were smart enough to continue their sharp old practices, instead of changing identity in their new habitat.

Many firms failed or suspended operations during the panic of 1907-1908. Local unions disintegrated, for only part-time work at slashed wages was available. When business revived in 1909, workers expected to share in the new prosperity.

The Big Strike and the Great Revolt

In November, 1909, 20,000 New York shirtwaist-makers walked out in the largest strike staged by American women to that time. New York had 600 waist and dress shops then, with 32,000 workers, 80 per cent of whom were women. Although union officials who directed the strike were men, they gallantly

stepped aside and let the girls—75 per cent of the strikers were girls between 16 and 25 years old—do the picketing, get assaulted, arrested and fined.

During this strike which dragged on till the middle of February, 1910, the strikers had a powerful ally—Public Opinion. Contrary to expectations, the women strikers worked together harmoniously in this common cause. By their solidarity and aggressiveness, they established their right to a permanent place in industry. Though the strike finally petered out without accomplishing its high objectives, it paved the way for the Great Revolt of 1910, which profited by its mistakes, and ended in the Protocol of Peace which established collective bargaining in the industry.

Instead of erupting spontaneously, the Great Revolt which broke out five months after the girls' incomplete strike, was planned in advance as carefully as a Napoleonic campaign. Every move for weeks to come was anticipated. Also the numbers involved marked this as a force to be reckoned with from the day of its outbreak on July 7, 1910, for three times as many workers struck—60,000. Although the census enumerated only 50,000 workers in New York's 1,500 cloak and suit shops at this time this number was swollen by recruits from the raincoat makers and women's tailors.

Charges for electricity and materials were prominent on the statement of twelve grievances which the Great Revolt of 1910 wanted corrected. They also rebelled against having to offer security as a guarantee that they would not join the union. Tenement work, overtime and night work, and holiday and Sunday labor were other matters listed for classification and correction. Low wages and irregular payments

were also protested, as well as the subcontracting system.

Sanitary conditions appeared far down on the list which included only three union-inspired grievances. These were discrimination against union men and blacklisting of active union members. The list ended with a demand for a method of enforcing agreements between manufacturers' associations and the union.

The strike was settled in September. Among their hard-won gains, the strikers obtained a 50-hour week, double pay for overtime, and higher wages. More important for their long-term effect on the industry were the union concessions of the Protocol of Peace. These included the fixing of piece rates by shop committees, and a preferential shop, which was in effect a closed shop, for employers could choose only between union candidates for a job.

Clothing workers had been striking almost continuously since the '90s. In fact, in some years it appears to have been their main outdoor activity. But steady progress did not result from these strikes. As in wars, winning did not mean that the problems at stake were settled for all time. Economic conditions often nullified the gains, and within a year conditions might be worse than before the strike. Perhaps employers thought the strikes of 1910 would be just such short-term incidents, after years of inconclusive strikes and truces. Strikes did not miraculously stop after this date, but their solutions were facilitated by the pattern for collective bargaining set in the 1910 Protocol. From this time forward, the worker could hold his head up. He was no longer a victim of circumstance; largely through his own efforts to alter circumstance, he had become an industrial citizen.

CHAPTER THREE

1910-1920 : TO MASS PRODUCTION

Like 1880, the year 1910 marked a dividing line in the trade. It was no longer a young, rapidly-growing industry, constantly increasing its scope by taking new items out of the home-made class. Its markup also dwindled after retailing went scientific, emphasizing charts and graphs sympathetic to retailing profits and antipathetic to the manufacturers. Seamstresses and dressmakers found it harder to make a living and in 1919 there were only about half as many as ten years earlier, 235,855 instead of 449,342.

The industry continued to grow after 1910, but at a less rapid rate, especially after 1914, a secondary boundary year, for after this time widening markets and increasing wardrobe demands were the main reasons for growth. Jobbers began to exert a marked influence on the market after 1914, and were influential factors by 1919. Patterning after the successful mail order houses, jobbers decided instead of specializing in the output of one firm, to play the field and sell all things for all women.

The Protocol of Peace

The Protocol of Peace was the greatest influence dividing the years after 1910 from those before. First reaction to the Protocol, which deterred Get-Rich-Quickers from entering the industry, was on a high, inspired plane. Workers saw it as an elevator to lift them from slavery to "industrial citizenship." Not to be outdone, and envisioning a strike-free future, cloak and suit manufacturers evaluated it as comparable to Watt's steam engine and Arkwright's loom. These inventions had controlled nature . . . "the Protocol ushered in a new way by which man was to deal with man in his conflict with nature for a higher civilization." This is what they said in print. Behind the scenes many evaded this pathway "to a higher civilization" by sending their bundles to contractors in other cities, or by establishing out-of-town shops.

When the Board of Arbitration declared the routing of work out of town to be anti-protocol, manufacturers found local contractors who could make a profit on this work. When eventually contract workers succeeded in bettering their pay, the manufacturers resorted to another dodge—not covered in the Protocol—submanufacturing.

Submanufacturers were a cross between a contrac-

tor and a regular manufacturer. They differed from contractors in doing their own cutting, and in distribution, for they did not market their product directly. They took material on consignment from the manufacturers who paid for their labor. Submanufacturers had made no impression on the market before 1910. By 1912 they numbered into the hundreds in New York. The union people considered submanufacturing and contractor-manufacturing for jobbers the main industry problems of 1912. Though contracting was detoured in this manner, subcontracting in the New York market was halted by the Protocol.

Sanitation and safety improved as a result of the Protocol. Hundreds of manufacturers cleaned shop and installed electric power, though the industry lagged behind other industries in installing mechanical power, progressing from one horsepower per 8.4 workers in 1899 to one per 5.1 workers in 1919, when other industries averaged 10 horsepower for every 3.1 workers.

Since the Protocol appeared in an opportunely prosperous period, wages and earnings trended upward. For the next six years it was the guiding light of the New York market. After it had been in force a year, 90 per cent of cloak and suit workers were union members and the Joint Board had contracts with 1,796 out of 1,829 New York shops. With the industry operating at top speed in all markets, the union endeavored to organize them.

In 1911, out-of-town markets lined up in this order of importance—Philadelphia, Chicago, Cleveland, and Boston. Ten States accounted for most of the women's wear industry—New York, Pennsylvania, New Jersey, Connecticut, Massachusetts, Maryland, Ohio, Illinois, Missouri and California. New York led in all branches. New York City after 1914 entrenched itself as the main center for cloaks and suits, waists and dresses; made no noticeable gains in underwear, and lost out on wrappers and housedresses. By 1919 Pennsylvania ranked second for dresses, housedresses and underwear, but fourth in cloaks and suits, in which Ohio ranked second.

Value of product in Philadelphia's market decreased from 7.8 per cent of the country's total production in 1909 to 5.8 per cent in 1919 and further to 4.8 per cent in 1921. Illinois was the third most im-

THE READY-TO-WEAR INDUSTRY



Madison Avenue, around 1920, where the industry settled after moving uptown.

portant producer in all lines. Massachusetts stood fourth for dresses and white goods, but sixth for cloaks and seventh for wrappers. Missouri was fifth as a cloak and suit market, but fourth in wrapper and housedress production, though St. Louis was the second most important center in this trade. California had climbed to fifth place for waists and dresses, and New Jersey was fifth in underwear.

Loss of activity in some markets was partially absorbed by the growing New York market and partially by newcomers—Los Angeles, Cincinnati, and Toledo, most of which made their greatest gains after 1914 or 1919. Of less importance, but coming up during the period were Atlanta, Hartford, Detroit, Indianapolis, Scranton and Newark.

Cleveland's wages were low, but its shops were considered the most sanitary in the country, so that its strike in 1911 lacked this war cry to arouse public sentiment. The strike proved abortive, for the manufacturers were better organized than the strikers. This was facilitated by their small number—less than a dozen—and by their wealth. They spared no expense to keep the upper hand, reportedly spending over a million to keep the workers in their place.

The strike never bit deep enough to paralyze the market, for the manufacturers circumvented it by opening shops in smaller Ohio towns, and by collusion with New York manufacturers. They never had to turn down an order during the strike; it could always be filled in from the New York market, though this was not a very profitable transaction, losing them many millions.

Chicago's 600 strikers were also luckless in their small-time 1911 strike, which was called without the General Executive Board's blessing. Chicago's union movement at this time was limited to small locals in contract shops. The strike attempted to penetrate the inside shop, but this ideal had to be postponed for four years, while the union had uphill work living down this defeat and rebuilding morale. Perhaps it was saved by the morale generated by Chicago's successful men's wear union during this period.

Though 1911 was an unpropitious year for strikes in the Middle West, in New York, fanned by the flames of the Triangle fire, the rest of the women's wear workers fell in line behind the Great Revolters of 1910. The Waist and Dress Makers' Union was followed by organization among the wrapper and kimono workers, and the underwear workers.

Business Trends

Business slumped in 1913, bringing on a wave of unemployment. Meanwhile, within the union leaders were sniping at each other, at a time when solidarity

was needed, so that early in 1914 Protocolism appeared doomed. Fortunately, two experienced union men in the men's wear trade came to the rescue. Sidney Hillman, whose new union had been established the year before, became chief clerk of the Joint Board and John R. Williams, the philosopher of the Amalgamated Clothing Workers, became impartial chairman of the Committee on Immediate Action.

These men were experienced with conditions in the large well-regulated shops in the men's trade. Mr. Hillman had been a worker at Hart Schaffner & Marx, the largest of these, when he emerged from obscurity to take a leading part in the Chicago strike of 1910 and its aftermath. But conditions did not favor large, systematic shops in the women's industry. They declined both numerically and percentage-wise from 1904-1919. Those employing over 100 fell off from 294 in 1904 to 196 in 1919, from 8.8 per cent of total number to 2.5 per cent. Those employing 51-100 declined from 487 or 14.5 per cent of all firms in 1904 to 483 or 6.3 per cent in 1919.

From 1910 through 1915 manufacturers continued to open women's firms on a shoestring and to compete effectively with older, larger establishments. However, a larger investment became necessary as the cost of fabrics and trimmings, especially fur and embroidery, went up. From 1914-1919 the number of firms in the major branches of the industry increased from 5,564 to 7,711 or 38.6 per cent, and the number of proprietors from 7,516 to 10,366 or 37.9 per cent. Corporate ownership increased from 18.6 per cent in 1904 to 32.9 per cent in 1919, as measured by value of product. This was considerably behind the average for all industries that year—87.7 per cent.

Meanwhile, firms doing over a million annually grew from 11, or 0.3 per cent of the total of 3,351 in 1904, to 29 in 1914, and leaped to 145, which was 1.9 per cent of the total in 1919. Reflecting the post-war depression, by 1921 the number in the million and over class had shrunk to 94, or 1.3 per cent of the total.

Middle West shops were larger than those in the East or on the West Coast. Usually, the larger the city and the older the market, the smaller the size of the individual shop. This was true for New York, Chicago, Philadelphia, Boston, Cleveland, and Baltimore. Shops in metropolitan areas were usually larger than those in the metropolis itself.

The 2,655 firms producing under \$100,000 worth of merchandise annually formed 79.5 per cent of the total in 1904. This percentage declined to 76 in 1914 and to 63.7 in 1921, though numerically they had increased to 4,228 and 4,747, respectively, in those years.

Though average number of workers per shop decreased from 35 in 1904 to 21 in 1919, and to 19 in 1921, there was an increase in small shops employing five or fewer from 320, or 9.7 per cent of the total in 1904, to 2,099, or 27.2 per cent of the total in 1919. From 1919 to 1924, the small shop grew even more rapidly. Firms employing between six and 20 workers grew from 1,107, or 33 per cent of the total, in 1904 to 3,284, or 42.6 per cent of the total, in 1919.

Medium-sized shops, employing from 21-50 workers, though losing out proportionately, showed actual increases, from 1,143, or 34.1 per cent of total number of firms, in 1904, to 1,649, or 21.4 per cent in 1919. Total number of workers employed decreased from 168,907 in 1914 to 165,649 in 1919.

The Industry During World War I

Outbreak of war in Europe in 1914 aggravated the depression that had started in this country the year before. Though the American market was eventually to gain by the diverting of European factories to war work, the problem of credits had to be solved first. Most industries were on the upswing by late 1915, but the women's wear industry did not feel the golden touch of war prosperity until 1917—the year we got in.

In 1916, in another synthetic strike arranged by the manufacturers' association and the union, the waist and dress makers won a 49-hour week, and week and piecework increases, agitated for on the basis of the high cost of living. By summer, agitation for higher wages was widespread, as living costs continued upward. Apparel prices rose 77 per cent during the war, more than the general cost of living, which went up 50 per cent.

With immigration curtailed, workers for the first time, felt that they were not in immediate danger of losing their jobs. Diversion of workers to other industries and to war, Government orders for coats, overcoats, slickers, mattress sacks, bags, cotton underwear, and so on, gave remaining workers a new sense of power in the spring of 1918.

Cleveland chose this moment to atone for its unsuccessful strike of 1911. Its cloak workers called a strike in July, when factories were running at capacity. Secretary of War Baker intervened, appointing three referees to investigate and adjudicate the problems. Among other things, they raised wages from 20-25 per cent (though modified later), activated by a Bureau of Labor investigation which had revealed that 45 per cent of the men in 21 shops earned under \$500 annually and over 60 per cent earned less than \$800. The union was at last on its way in Cleveland, and made the grade in 1919. Chicago also recovered

somewhat from its 1911 defeat by staging a couple of successful strikes in 1915, and laying the foundation for unionism there.

Meanwhile, the death blow to protocolism was dealt by a blunt instrument, which was expected to inject new life into it. This was the Valentine report, a diagnosis of the industry, supposed to correct existing faults. Instead of acting on its recommendations, the manufacturers rejected it completely, in September, 1916. Final burial of the protocols did not take place until 1918, but they played a minor role in these last two years.

Effects of World War I on the Industry

War prosperity showed a delayed reaction in World War I, registering more strongly after the war than during it. Workers in all industries took advantage of the silk-shirt era of 1919 to press home demands. Among union gains this year, accomplished by a succession of strikes in all sections of the trade, was the 44-hour week.

Besides spreading geographically, unionism permeated to high-caste designers as well as bushelers, examiners, shipping clerks and salesmen. From its eleven founders in 1900, the ILGWU had grown to well over 200,000 members by 1920. Forty-four cities of over 50,000 were producing women's wear in 1919 which ranked eleventh among the country's 358 industries in value of product, tenth in cost of materials consumed and thirteenth in number of wage earners. Along with fourteen other industries it turned out over 1 billion dollars worth of goods that year.

America's fashion industry profited as a result of the war, while Paris' industry underwent a revolution of its own. The war had wiped out most of the fortunes which had enabled many women in the international set to make a career of dressing well. Instead, the American wholesale market had become Paris' main customers and its representatives came more as copyists than as buyers of exclusively French garments.

In a way the slogan of that first war had been realized. The fashion world had been made "safe for democracy." Now the cheaper mass-production manufacturers began to copy Paris models, and the specialty houses to adapt them to American needs, and to change them enough to disassociate theirs from the more faithfully copied cheaper models.

Shifting in emphasis of various components of the industry also brought a shift in composition of the working force, though changes were not abrupt after 1900. Up to 1914, men entered the industry in steadily increasing numbers. As the cloak and suit trade diminished in importance and the light industries

came up, more women manned the machines. In 1914, the 63,241 men workers constituted 36.1 per cent of the total working force, as against 31.2 per cent in 1900. By 1919 they again recorded the same percentage as in 1900, though numerically their force, at 53,181, was over twice as large. In 1919, there were 112,468 women workers in the industry.

Men still outnumbered women in the cloak and suit trade in 1919, where they comprised 68.5 per cent of the total working force, but they lagged far behind in the underwear trade where they made up only 10.9 per cent of the total force, and in the wrapper-housedress field where they polled 11.3 per cent. Their second best showing was in the waist and dress trade where they formed 18.5 per cent of the wage earners. These figures apply to inside factories, but contractor shop practice was analogous.

Make-up of the working force varied from city to

city, and contrary to general population figures, there were more men workers proportionately in the large Eastern and Middle Western cities—77.7 per cent in New York City's cloak and suit trade, 70.4 per cent in Boston, 57.7 per cent in Philadelphia, 45.6 per cent in Cleveland. In St. Louis, only 30.9 per cent of the cloak and suit workers were men.

Naturally, the working force varied with the seasons; in 1919, ranging from a peak of 184,769 to a low of 146,080, or 79.1 per cent of the full force. Seasonality was most noticeable in the cloak and suit trade, sinking in the off season to 66.1 per cent of maximum employment. Garments with year-round appeal gave their workers more stable employment, the wrapper-housedress trade, for instance, where the minimum staff did not fall below 87.1 per cent of the maximum.



CHAPTER FOUR

1920-1930 : FROM BUST TO BOOM TO BUST

The women's wear manufacturing industries were carried along by the postwar boom to great prosperity but unfortunately it was not long continued. It ended in the resounding crash of prices in the late spring of 1920, affecting not only manufacturers but also labor as well. Workers also lost their shirts—and silk shirts at that. Their fine gains of 1919 passed temporarily into the realm of theory as they struggled to keep their jobs with unemployment spreading.

Unemployment continued to fall off through the spring and summer of 1922. Even in the fall, when business picked up, the women's wear industry lagged behind the other industries. First to show improvement were the housedress and underwear trades, but the dress and cloak trades continued in the doldrums until 1924.

The Cleveland Plan and the "Prosanis" Label

Slowly at first, beginning in Toledo, then pretty generally, the various markets returned to piece work. Boston manufacturers called the 42-week work guarantee too great a burden to bear, and reverted to its previous seasonal pattern. Cleveland cloak workers had to take a 5-13 per cent wage cut in 1921, though the so-called Cleveland Plan, introduced by the ILGWU in that market in the early 1920's, continued until 1932, when the manufacturers, aware of the union's feebleness, refused to renew it.

Under this plan, workers were guaranteed 40 weeks of employment each year, through a special fund into which employers deposited 10 per cent of weekly payrolls. If workers got their full 40 weeks employment, employees could recover this fund. If less than 40 weeks were worked, employees were compensated at 50 per cent of the minimum scale for unemployment which exceeded twelve weeks.

This plan not only provided for the unemployed, but brought about greater stability of employment, through the employers' efforts to provide substitute work by turning out secondary products during dull periods. Cleveland's 77 plants employed 3,681 workers in 1921.

Despite efforts to avoid seasonal unemployment, women's clothing workers suffered more from fluctu-

ations in employment than the men's industry in certain years surveyed, including 1925, 1929, 1931 and 1935. Peak months were March-April, and September-October, with July the zero month. In 1929 minimum monthly employment was 81 per cent of maximum and in 1935, it was 75 per cent.

Though the labor movement lost ground meanwhile, perhaps this bitter experience helped the cloak and suit trade to formulate their experimental unemployment compensation programs, when business picked up in 1924. Another social-minded innovation of 1924—discontinued two years later because of lack of interest—was adoption of the "Prosanis" label by the cloak and dress industries, guaranteeing production under sanitary conditions.

Though 1921 was a depression year, the women's wear industry turned out garments valued at \$1,023,807,000. Forty cities with over 100,000 population had women's clothing enterprises that year, but 74.2 per cent of the industry was located in New York City.

Between 1914-1921 average value of output for cloak and suit firms increased 100 per cent, from \$108,740 to \$217,730. The percentage increase in the waist and dress industry amounted to 63.6 per cent, from \$109,640 to \$179,400. Output value per firm for underwear houses went up 42.9 per cent from \$120,016 to \$171,575; and wrappers and housedresses scored a 125 per cent gain, from \$70,750 in 1914 to \$159,250 in 1921. Applied to the entire industry, the gain in this period amount to 73.1 per cent.

These figures cover only inside factories; in the over-all industry the percentages would differ considerably, since the dress industry, which had increased prodigiously, was largely confined to unreporting contractor shops.

By 1921, the wrapper-housedress industry was well on its way to assembly operation. From 28 workers per factory in 1914, it had increased to 48. Waists and dresses were being produced in smaller shops in 1921—with 19.9 workers, as against 22.3 at the earlier date. In the other women's garment trades, workers had fallen off from 25.1 per establishment in 1914 to 21 in 1921. Since 1927 women's wear firms

have been growing in size, with the average raised above 20, because of mass production of cheaper garments.

Life in the '20's

The flamboyant '20's might be described as a decade of false prosperity, bounded by depressions, the tentative one of 1920-1921, and the depression to end all depressions which brought the period of postwar inflation to a desperate close in 1929.

In the '20's, a hoyden called the Flapper Girl, replaced the tall aristocratic Gibson girl of the early 1900's. This John Held girl was languid, concave, and had what was fashionably known at that time as a boyish form. Her brassieres were built to conceal, not to reveal. False manufacturers had to look for other business.

The Flapper Girl's bobbed hair spelled the doom of the hat frame business, but her knee-length, or shorter skirts, which went up with the stock market, were a boon to the hosiery and shoe business. Perhaps the vigorous Charleston helped the footwear business by wearing out shoes, which the short skirts had brought to light.

Inhaling through her long dramatic cigarette holder, the Flapper Girl did not know that her world would go up in smoke, following a frantic Friday in October, 1929. Fortunately for her, but unfortunately for retailers and manufacturers, her wardrobe was well stocked when the crash came, and stores and firms that waited around for the economists' predictions that worn-out clothes would have to be replaced, found that that happy day never arrived.

Many influences accounted for the generous wardrobes of the middle and late '20's. The automobile, no longer a novelty, became the accepted mode of transportation. It took more women more places, in which she would need more dresses. The housedress-Sunday dress wardrobe which had been sufficient for her mother and grandmother was as obsolete as their horse and buggy. With Coolidge prosperity, women bought different dresses for business, travel, sports and the more numerous formal occasions of that period. Europe, instead of being reserved as a graduation or wedding present for finishing school debutantes and Ivy Leaguers, was overrun by tourists, third class.

At home, trains improved their service and offered counter attractions, competing with the upstart automobile. Above all, the movies, having advanced through such spectacles as "Birth of a Nation" and "Ben Hur," settled down to drawing room comedies and wild Westerns, and began to exert the world's greatest influence on the general public's clothes.

Fashion news also came over the miracle of the 1920's—the radio.

The entire pace of life quickened with the automobile. Styles changed overnight, accentuating the problem of seasonality, with jittery retailers postponing buying to the last minute. Though women bought more clothes, they chose simpler garments, for the rapid pace could not be slowed down by unwieldy styles.

Rise of Seventh Avenue

The cloak and suit industry found itself in a vulnerable position in the 1920's, when, like the automobile, the fur coat moved out of the strictly luxury class, into the general wardrobe. By 1925, though its volume was twice as much as it was in 1914, proportionately the cloak and suit industry was producing only 35 per cent of the entire industry, instead of half.

Dresses—a 20th century product commercially which made their first splurge during and after the World War—led the women's wear procession in the 1920's, relegating suits to the background. This trend progressed with the decade. By 1925 unit dress production was 7 per cent above 1923 levels, while unit skirt production was 89 per cent below 1923, and blouse production 79 per cent below. By 1929 output of the dress industry was valued at \$900,000,000, an increase of \$210,000,000 over 1927, and it had become a major industry. As dresses gained in popularity, the New York dress market became the main money maker in the entire garment field.

With Seventh Avenue rapidly becoming a synonym for the entire women's wear industry, by 1923 New York was producing 79.9 per cent of women's clothing, although many manufacturers had located outside the domain of the union after 1919. Many "fugitive" or "runaway" shops moved to unorganized metropolitan areas. The proportion of production outside the States of New York, Pennsylvania, Maryland, New Jersey and Massachusetts showed a steady decrease until after 1923.

Out-of-town factories, as they traded up, usually relocated in New York. Low-end manufacturers at this time went in the opposite direction, to the low-wage areas of the South. Production methods are less expensive in these assembly-line factories, for greater specialization is possible.

By the middle 1920's the women's wear industry had begun to show signs of maturity. After that date New York City failed to exert its magnetic attraction on the trade, as Boston, Philadelphia and other centers made slight gains, but it remained far and away the largest market, falling off only to 75.3 per cent of value of product in 1929. Chicago with 4.1 per

cent of total value in 1929 was a very inconspicuous second.

The Jobber's Role

Jobbers in the women's wear industry were a later growth than in the men's wear industry, making their biggest splurge after 1919, when they were on their last legs in the men's trade. In the early '20's the jobber was the pivotal man in the industry. Every discussion centered around him. These middlemen, who supplied the bulk of retailers' needs, carried huge inventories and could make prompt deliveries. Some stocked 70,000 garments at a time, with 50 or more choices of style, in a price range from \$10-100. In 1921 Levy-Schulman, one of the large stock houses, had 50,000-75,000 garments on the racks at all times. Quantity of purchase did not disturb these middlemen, who had no direct production problem, although women's wear jobbers were much closer to production than jobbers in other industries, for they arranged for the production of most of their stock, instead of buying manufacturers' job lots. Women's wear jobbers bought the fabrics, obtained styles from style makers or sample houses, or by copying or designing themselves, but they engaged submanufacturers for the actual production. Stocks were kept in the jobber's loft, and displayed and sold in his showroom.

Having got all his materials together, the jobber then consigned or sold them to his submanufacturers

—at considerably above the market rate, to prevent reselling. After the garment was made up, the jobber bought the finished garment, paying for its manufacture. The submanufacturer was stuck with express charges and insurance during production.

During the '20's, this jobber-contractor system started a price war which threatened to send the inside manufacturer the way of the dodo. Two hundred jobbers, pitting 1,200 contractors against each other, did an annual volume of \$225,000,000 in 1924, about half of the volume of the coat and suit trade.

The union found it difficult to enforce regulations in the scattered contracting shops, and management-union disputes reached such proportions that the Governor of New York appointed an advisory committee which investigated the cloak industry during 1924-1925. It found that 38 per cent of the cloak contractors and 34.1 per cent of inside manufacturers had gone out of business in 1924 and that 18.5 per cent of the jobbers' contractors turned out 86.3 per cent of output. The remaining 81.5 per cent of contractors were on call only to beat prices down.

Inside factories came out the best in this investigation, for the committee struck out against the auction-block system by placing limitations on the number of submanufacturers a jobber could retain. Establishment of a permanent impartial chairman helped to get the industry operating on a more stable basis.



CHAPTER FIVE

1930-1940 : DEPRESSION DECADE

During the Depression Decade, life became too real and earnest and the grave was the goal of many firms left penniless by the stock market crash. Youth—no longer flaming—became serious and adopted a new set of values. College students no longer had to study on the sly to avoid their classmates' contempt. Women's clubs converted from purely social affairs to socially-aware institutions.

Effects of the Depression on the Trade

As gloom deepened, the hemline, fashion's barometer, dragged also. Instead of trying to look like boys, women now adopted the feathers and frills of Empress Eugenie as their fashion inspiration. On her they had looked good, but they did not quite suit shop girls rushing to punch a time clock, or, as was more usual, trudging the streets looking for a job.

Thousands of able-bodied, willing workers could find no work. For a year or two the garment trade did not suffer as much as some others, for women's first reaction was not to cease buying entirely, but to buy cheaper clothes. Actually, unit sales increased at first, though as the depression extended, the industry suffered its greatest losses.

Women accustomed to paying \$16.95 for their dresses shopped around for one at \$10.95, while the \$10.95 customer settled for a \$6.95 number. By 1933, the wholesale price of 79 per cent of all dresses was \$4.75 or less. This did not mean that women had adopted the housedress as a depression uniform. Two developments had enabled former housedress manufacturers to produce daytime dresses at housedress prices. Rayon had emerged from its experimental state and become a staple fabric, and enterprising designers had discovered cotton as a style fabric.

These developments did not create an extra market, but siphoned sales from more expensive clothes in the New York market, for most housedress firms were located in the Middle West. These firms were more efficient in routing work, in buying, planning and eliminating peaks and valleys, than the unit-price trade. One observer compared the operations of these two different branches of the trade as "a collision of the 20th century and the 18th." They took advantage of the demand for their face-lifted products by

catering to chains and mail order houses, which volume-shy New York houses could not supply.

Women accentuated the New York market's stagnation and the growth of the mass-production upstarts elsewhere, by being false to their reputation for fashion fickleness, and getting crushes on classics. Fashion-conscious New York producers for a while tried to outguess women's reactions to styles. Eventually some swung over to classics, which they promoted as sophisticated, forgetting how they had once ridiculed them as made for and by hicks in the sticks.

As the depression hung on from year to dreary year, some designers lost the incentive to come up with spirited new styles, but others made even more effort to snare whatever business there was, and the patent office was besieged with designers' applications. Lack of choice may have confirmed hand-to-mouth retail buying, and replenishment buying never reached the heights that economists—most of whom had not foreseen the depression—seized upon as a catch phrase to fill their oracular reports.

Supply and demand never got together during this period. While retailers were buying close to the chest, garment manufacturers were learning, at a cost of millions, that speculative production did not pay. Even a 20 per cent discount would not move stocks. It was hard for manufacturers geared for production to learn that it was cheaper to let their equipment stay idle, than to produce unmarketable goods.

Regular sources complained that retailers hunted out sleepers, obscure firms that whittled down prices by shady tactics which legitimate firms could not employ. A spokesman for many branches of the trade observed: "Some of the resident office scouts combined the craftiest aspects of private detectives and wilderness pathfinders in blazing trails to hitherto undiscovered concerns. Their power scarcely improved the manufacturers' position, but impeded the essential scope of their initiative and skill."

Paring down of profits per unit, coupled with the fact that less units were sold, led to a stampede of bankruptcies. Executives who had found the women's wear industry easy to enter, made their exits even more precipitously. No two sets of statistics on this period agree. One source informs that in the two-year period 1932-1933, the death rate for women's cloth-

ing firms was 12 per cent, compared with an average of 2.9 per cent in the 11 semi-durable industries, and 1.8 per cent for the 13-industry durable group. More sources indicate that customarily about 20 per cent of firms went out of business annually, and that this percentage doubled in 1932.

"Mortality" is a term rarely used in the women's wear industry. The word "turnover" is more indicative of what really happens, for though many firms go out of business, most of the same faces reappear year after year, in a new firm or reorganization. Very few entered in the early depression years, but after the invigorating effects of NRA—both its birth and death—an infinitesimally larger number of firms started up, than closed their doors.

From 1911-1936, one authority estimates that "5,000 and more ready-to-wear firms passed in rather doleful procession" with an average life of six years. Only 36 survived for the quarter of a century from 1911-1936. Members of defunct firms who did not reappear in the women's wear business used their funds, if any, as a stepping stone to even bigger gambles—Wall Street, local real estate and "Florida's sandy reaches," though many of these sandy reaches turned out to be under water. Some went into banking, the goal of many early men's wear manufacturers.

From 1933-1939 new firms averaged 558 each year, while 554 closed their doors, says one source, while census figures enumerate the failures in this period as follows: 1934—205; 1935—257; 1936—159; 1937—187; 1938—282; 1939—321. Liabilities in 1938 amounted to over \$5,000,000; in 1939 they were under \$3,000,000.

In 1929 there had been 3,500 dress concerns; by 1933 only 2,300 remained. An investigation by the New York Joint Board of the Dress and Waistmakers Union covering 927 contract shops revealed that 81.7 per cent went out of business from 1926-1933. They were never missed, for the birth rate was even higher, though many were stillborn or suffered infant mortality.

A survey by this same group in 1935 disclosed that 37 per cent of the contractors were turning out 78 per cent of total production. Business mortality among dress jobbers and inside shops was calculated at 20 per cent and of contractors at 33 1/3 per cent.

Of 1,687 firms operating in Manhattan in 1925, only 276 were still in business in 1933. NRA brought stability and with it greater longevity to dress contractors, by establishing minimum wage rates, which automatically eliminated competitive underbidding on prices.

In 1937 the New York dress trade was dawdling along with a sales volume of \$400,000,000, compared with \$750,000,000 in 1929. By 1938-1939, about 23 per cent of dressmaking firms went out of business annually.

Workers slaved for wages that would have shamed the cruelest exploiters of the industry's pioneer days. In the dismal period 1929-1933, before NRA attempted to legislate hard times out of existence, many worked 60-70 hours a week for \$2-\$3. *Survey Graphic* reproduced an experienced garment worker's pay check for two weeks' work, including overtime in the '30s. The amount was for one dollar (\$1).

Pennsylvania became notorious for shady dealings, many of them perpetrated by or for New York sharpshooters. Some Pennsylvania contractors, purveying to New York jobbers, neatly evaded paying their workers any wages by an apprentice system, promising wages after learners had mastered their jobs. When the girls finally asked for their pay, they were fired, and another gullible set took their place. When word got around that the contractor was a chiseler, and there were no more learners to be rooked, he moved on to another town. Most female garment workers were considered fortunate if they made as much as \$3 a week, and those who earned as much as \$6 were regarded as capitalists.

These substandard wages and exploitation tactics continued openly until NRA went into effect, and furtively afterward, for many got work especially in slack seasons only by making secret arrangements which violated the codes.

NRA

Under NRA's protection the union was able to ride again. It had almost gone under in its own private fight against Communist infiltration in the '20s. Following its revival it had another sinister menace to combat, when gangsters muscled their way in during the middle '30s. Improvements followed NRA's spectacular debut, though the depression hit bottom the year it was organized, 1933. Many strikes were called throughout the country that year, mostly for organizational purposes. They were not violently opposed, for their objectives reflected administration thinking. As Benjamin Stolberg, ILGWU's Boswell, puts it, "Franklin Delano Roosevelt was the greatest labor leader of them all."

NRA's birth year was the first year since the end of World War I when the value of women's clothing (excluding corsets, knitwear, furs, and millinery) dipped under a billion. Volume was under half that amount, the lowest earnings since 1921. The cloak

and suit trade, whose output had been valued at 492 million dollars in 1919, produced garments valued at 185 million dollars in 1933.

During NRA, the women's wear industry operated under fifteen different Codes of Fair Competition, the first attempt to control the industry on a national scale, and a preview of the problems to be solved under WPB and OPA a decade later. Purchasing, production, distribution and unjustified returns were all subject to regulations. Each code was formulated by its own group within the industry. ILGWU was represented on the Code Authorities, helped to enforce them, and in several recommended the standards of wages and hours which Congress adopted when NRA was declared unconstitutional in 1935. For the soul of the brave Blue Eagle, which its scoffers called a "sick chicken" in its last days, transmigrated to the Wagner Act and later to the Fair Wage and Hour Law, which perpetuated many of its more tangible ideals.

During NRA all garments were labeled. The work week was limited to 35 hours, in an attempt to spread employment. This was partially successful, but a survey made by the New York Joint Board in spring, 1934, revealed 17,801 idle sewing machines in New York contracting shops—27 per cent of the total. Since the industry had been operating on a 40-hour week since 1923, some manufacturers argued that the 35-hour week would not permit adequate production. Accordingly, some increased the size of their plants to compensate for the cut in hours. This move turned out to be wishful thinking. The industry was over-produced, even on the shorter week. People had to eat, but clothes apparently can, or at that time could, last indefinitely.

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Industry Trends, 1935-1940

In 1935 the value of production of the women's wear industry was \$1,200,000,000. Dress manufacturing occupied more shops, hired more workers and accounted for a greater proportion of total production value-wise, than any other branch of the industry, 41 per cent. The cloak and suit industry turned out 19 per cent of total value of production; underwear and nightwear 12 per cent, corsets and allied trades, 6 per cent. Women's wear firms provided employment for more than 350,000 workers scattered throughout 41 states.

In the middle 1930's, shops continued at about the same size as in the 1920's. The average shop employed about 33 workers each, and the six largest in the business employed only 3.7 per cent of all workers, while the top three accounted for only 2.1 per cent of total employment. About the only shops whose payrolls extended into the hundreds were in the cheap garment category, in which style is relatively unimportant, most of which were paradoxically in smaller communities. Cotton dresses, mainly of the housedress type, utilized one-fourth of the machine capacity of the industry. Shops in New York State hired 22 workers each, on the average; New Jersey 61, Connecticut 84, Pennsylvania 59, and Ohio and Illinois, each 50.

These figures are partly explained by the fact that contracting firms remained more numerous in New York City and environs than in other sections, and were usually smaller than inside shops, employing 25 workers on an average in cloak plants; and 31 in dress contracting shops, both of which had an average of 33 for inside shops. In the New York metropolitan area, 48.5 per cent of all cloak making firms were contracting shops and in other sections of the country 43.5 per cent of the cloak firms were contractors.

About forty years after contracting shops had declined in popularity in the men's wear business, they began to retreat in the women's wear trade, declining 26 per cent from 1936-1940, as the big inside shops made slow progress. Despite the union's attempts to equalize working conditions, they remained better in the responsible inside shops.

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32 per cent Jewish; 5 per cent Negro; 2½ per cent Spanish and 1½ per cent native Americans. The remaining 7 per cent represented a scattering of nationalities. An entirely different racial pattern was evident on the West Coast, where the largest single group of San Francisco dress workers were Spanish Mexicans, 27.2 per cent of the total. Their second largest group was native American, 24.8 per cent. Then came Italians, 20.2 per cent; Russians 17.4 per cent; and Jews 10.2 per cent. Oriental workers were practically negligible in the women's industry, and had only a precarious representation in the men's industry.

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By 1935 there were 259,042 women's wear workers in the country, despite the continuing depression, a rise of 57,978 or 29 per cent over 1929. Reduction in hours under NRA may have been partly responsible for this increase, in this industrially stagnant period. Largest number of workers continued to be

concentrated in the Middle Atlantic States, 131,974 in 1929, and 176,579 in 1935. Next largest number of workers was in the East North Central States, 27,488 in 1929, and 32,095 in 1935. New England was third and the Coast fourth. Fewest workers were employed in the Mountain States.

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Sportswear Becomes a Separate Industry

Even a depression can influence styles. With no jobs to dress for, and with a curtailed budget to dress on, greater informality resulted. And with the shorter work week, more attention was given to outdoor activities, and sportswear developed as a separate industry. California became a leader in sportswear production during this period, and attracted outside buyers, though it was still importing more apparel than it sold in 1939. California's sales that year totaled about \$45,000,000.

As the too pretty Eugenie fashions were an antidote to the unbecoming styles of the 1920's, sportswear attracted the pendulum after the frills of the Eugenie revival. But this trend to sportswear was counteracted by an emphasis on feminine accessories and jewelry.

ing firms was 12 per cent, compared with an average of 2.9 per cent in the 11 semi-durable industries, and 1.8 per cent for the 13-industry durable group. More sources indicate that customarily about 20 per cent of firms went out of business annually, and that this percentage doubled in 1932.

"Mortality" is a term rarely used in the women's wear industry. The word "turnover" is more indicative of what really happens, for though many firms go out of business, most of the same faces reappear year after year, in a new firm or reorganization. Very few entered in the early depression years, but after the invigorating effects of NRA—both its birth and death—an infinitesimally larger number of firms started up, than closed their doors.

From 1911-1936, one authority estimates that "5,000 and more ready-to-wear firms passed in rather doleful procession" with an average life of six years. Only 36 survived for the quarter of a century from 1911-1936. Members of defunct firms who did not reappear in the women's wear business used their funds, if any, as a stepping stone to even bigger gambles—Wall Street, local real estate and "Florida's sandy reaches," though many of these sandy reaches turned out to be under water. Some went into banking, the goal of many early men's wear manufacturers.

From 1933-1939 new firms averaged 558 each year, while 554 closed their doors, says one source, while census figures enumerate the failures in this period as follows: 1934—205; 1935—257; 1936—159; 1937—187; 1938—282; 1939—321. Liabilities in 1938 amounted to over \$5,000,000; in 1939 they were under \$3,000,000.

In 1929 there had been 3,500 dress concerns; by 1933 only 2,300 remained. An investigation by the New York Joint Board of the Dress and Waistmakers Union covering 927 contract shops revealed that 81.7 per cent went out of business from 1926-1933. They were never missed, for the birth rate was even higher, though many were stillborn or suffered infant mortality.

A survey by this same group in 1935 disclosed that 37 per cent of the contractors were turning out 78 per cent of total production. Business mortality among dress jobbers and inside shops was calculated at 20 per cent and of contractors at 33 1/3 per cent.

Of 1,687 firms operating in Manhattan in 1925, only 276 were still in business in 1933. NRA brought stability and with it greater longevity to dress contractors, by establishing minimum wage rates, which automatically eliminated competitive underbidding on prices.

In 1937 the New York dress trade was dawdling along with a sales volume of \$400,000,000, compared with \$750,000,000 in 1929. By 1938-1939, about 23 per cent of dressmaking firms went out of business annually.

Workers slaved for wages that would have shamed the cruelest exploiters of the industry's pioneer days. In the dismal period 1929-1933, before NRA attempted to legislate hard times out of existence, many worked 60-70 hours a week for \$2-\$3. *Survey Graphic* reproduced an experienced garment worker's pay check for two weeks' work, including overtime in the '30s. The amount was for one dollar (\$1).

Pennsylvania became notorious for shady dealings, many of them perpetrated by or for New York sharp-shooters. Some Pennsylvania contractors, purveying to New York jobbers, neatly evaded paying their workers any wages by an apprentice system, promising wages after learners had mastered their jobs. When the girls finally asked for their pay, they were fired, and another gullible set took their place. When word got around that the contractor was a chiseler, and there were no more learners to be rooked, he moved on to another town. Most female garment workers were considered fortunate if they made as much as \$3 a week, and those who earned as much as \$6 were regarded as capitalists.

These substandard wages and exploitation tactics continued openly until NRA went into effect, and furtively afterward, for many got work especially in slack seasons only by making secret arrangements which violated the codes.

NRA

Under NRA's protection the union was able to ride again. It had almost gone under in its own private fight against Communist infiltration in the '20s. Following its revival it had another sinister menace to combat, when gangsters muscled their way in during the middle '30s. Improvements followed NRA's spectacular debut, though the depression hit bottom the year it was organized, 1933. Many strikes were called throughout the country that year, mostly for organizational purposes. They were not violently opposed, for their objectives reflected administration thinking. As Benjamin Stolberg, ILGWU's Boswell, puts it, "Franklin Delano Roosevelt was the greatest labor leader of them all."

NRA's birth year was the first year since the end of World War I when the value of women's clothing (excluding corsets, knitwear, furs, and millinery) dipped under a billion. Volume was under half that amount, the lowest earnings since 1921. The cloak

and suit trade, whose output had been valued at 492 million dollars in 1919, produced garments valued at 185 million dollars in 1933.

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CHAPTER SIX

1940-1950 : PEAKS OF PROSPERITY

Union-Management Efforts to Promote the Industry

New York was in carnival mood when the '40's began to roar, with the World's Fair in its second year. Paradoxically, New York's greatest industry had no exhibit. Its bickering components could not get together on a presentation. Someone observed that a Detroit fair would certainly feature automobiles; even the New York fair did, but the women's wear industry's hydra-heads did not speak the same language when it came to presenting a united front at this affair. It was every manufacturer for himself in these unpropitious days, when New York's dress trade was earning only about half of its 1929 boom-time profits.

Doctors were getting many cases of the occupational disease known as "Garment Center Stomach." A good year was no more than 36 weeks, and the average inside worker was taking home only \$1,200 a year and contract shop workers only \$900.

Unification efforts came from a strange source—the traditional enemy, the union. The union was not pioneering in this not altogether altruistic venture, but was following the profitable example set by Middle Western unions which had gained by cooperating with industry.

In the winter of 1940-1941 the union approached a leading advertising agency, with a proposition for a million-dollar campaign annually to popularize New York's dress industry. It proposed to kick in \$100,000 on condition that the employers supply the rest by buying the union credit label. With the coming of war in December, and a boom that needed no artificial respiration, this campaign was abandoned.

But dress manufacturers were receptive to the proposal that the public needed education, since the average woman paid more for her underwear and stockings than for her two ready-made dresses a year. Presumably, war profits rather than this campaign accounted for an additional street dress in the annual budget by 1944, all three at an average of \$10 each.

The New York Dress Institute, founded in 1941, grew out of this union-boss campaign. More than 1,000 members enlisted in this clearing house for fashion information, dedicated to making New York

the world fashion center, to help it maintain first place in the dress industry, and to promote exports to South America, among other objectives. In 1943 the first National Press Week was inaugurated with an amount of hoop-la that fashion writers all over the country still recall with aching feet.

The Industry in Wartime

The European conflict was pressing closer to America and on August 27, 1941, all raw silk stocks were taken over by the Government and silk dresses quickly passed out of the market. With the coming of war in December much rayon was also diverted to war uses and all fabrics became in short supply.

Though it was common in the trade to gripe or make wisecracks about WPB and OPA, actually WPB restrictions imposed no great hardships on manufacturers. Looking back, they say they would have imposed similar restrictions on themselves, for with fabrics short and prices high no one would be lavish with materials. It was no hardship for manufacturers to feature beige as a fashionable color. Besides saving dyes, it saved them money.

Some said that M-388 imprisoned the trade and MAP electrocuted it for a crime it did not commit, but these restrictions and L-85 did not prevent the industry from making its greatest earnings to that time. L-85 which fixed the outside measurements of garments has been lauded as the best received and best handled war regulation in industry. Incidentally, according to Paramount designer Edith Head, L-85 served the useful purpose of improving and toning down movie styles, putting actresses into clothes instead of creations.

Shoes were the only rationed article of clothing during the war, though rumors of further rationing were insistent. Ironically, shoe sales increased under rationing. Such edicts as WPB's ban on two-color shoes were no deterrents to sales.

Wartime restrictions changed styles almost overnight. Hitherto, they had usually evolved through a more or less logical progression of minor modifications. Tubular skirts replaced dirndls, and slim lines became the latest thing, with the hourglass figure behind the times. Just when elastic was most needed for girdles for these new styles, it disappeared from the

market. Dresses which had swept into prominence during World War I looked for a time as if they would be outmoded by slacks during the early days of the war.

The War's Effects and Postwar Trends

When restrictions were dropped, the silhouette changed even faster than it had at the beginning of the war, for less reason, and with greater jeopardy to women's appearance. It is doubtful whether any amount of legislation could have forced women into such ungainly styles as the unvarnished new look, in which women made up in one overdose for all the fabric pinching of wartime.

Volume in 1943 was over a billion; in 1944 a billion and a quarter, and 1945 and for the first postwar year 1946 were the acme of prosperity for the trade. Prices which had been practically cut in half in depression and post-depression years made a dramatic comeback, aided by scarcities and by a 50 per cent increase in consumption. New York and other big centers which had lost business to decentralized markets for over a quarter of a century benefited when the latter lost their competitive advantage of cheap, plentiful labor. In the eight years following 1939 firms increased by two-thirds, and total volume tripled.

Naturally, war did not disrupt the women's wear industry as much as the men's trade, which lost a much larger proportion of ultimate customers, but found uniform-making a substitute means of revenue. Some coat and suit houses got contracts for uniforms for the women's forces and Red Cross workers, but attempts to get contracts for men's uniforms were not successful. Pressure from ILGWU elicited a promise of 20 per cent of contract awards. Though this promise was not observed, ILGWU dropped the fight when civilian demand indicated capacity production or better. The Amalgamated Clothing Workers were in a better bargaining position, with their president, Sidney Hillman, a joint director with William Knudsen of OPM, before that organization was superseded by WPB.

New York's fur industry shot ahead, when the Moscow and London markets were cut off, and many of its women's wear houses went into the highly lucrative perfume business, which France had formerly monopolized, contributing 27 per cent of the nation's supply.

Besides the customary boom of increased wartime spending, the wedding and bridesmaid dress trade enjoyed a whirlwind of prosperity during the war, and

the maternity dress business is still booming, out of all proportion to the actual increase in the birth rate. With the birth rate up during the war years on an annual average of 18 per cent over 1940, maternity dress sales rose about 200-300 per cent, according to leading manufacturers. The birth rate has soared even higher since the war, reaching its height for the decade in 1947 with a gain over 1940 of 52.3 per cent.

Average yearly increase in the birth rate for each year of the decade over 1940 was 29.6 per cent. For the last half of the decade the birth rate has increased on an average of 38.6 per cent over 1940. In this same period, girls and women over 15 increased in the population at a yearly rate of 8.4 per cent over 1940. Death, while not taking a holiday, is definitely postponing action, especially in connection with women over 50, who increased 18.7 per cent over 1940 on an average for each of the past five years.

Expectant mothers are no longer limited in their choice to the traditional styles—the smock top, butcher boy, or redingote. These three numbers have been supplemented by street dresses with hidden expansion adjustments, usually snaps, although elastic, drawstrings, and wraparound models are also used. Because of the increase of teen-age brides and mothers, demand for maternity dresses in smaller sizes is increasing, with '14's and 16's now the most popular sizes.

The birth rate among women's wear firms also increased noticeably during the war period, with newcomers outnumbering the leave takers from 1941 through July, 1946.

In 1946, New York's outerwear industry—79 per cent of the country's—hit a peak of almost 2 billion dollars, with sales amounting to \$1,907,614,000 realized on over 300 million garments, including 200 million dresses and 100 million assorted skirts, slacks, blouses and jackets. This was a 60 per cent gain over 1944. Less than 40 per cent of these sales were in popular price dresses, and consumer price resistance put a damper on sales in the upper bracket before the year was over. In spite of record earnings, less than 500 New York concerns had a volume of a million or more in 1946, and only about 100 made over two and a half million. Thirty-nine per cent of the concerns made less than \$250,000. The 410 firms in the higher price lines accounted for only 10 per cent of volume.

The Postwar Price Picture

Fabric continued scarce throughout the immediate postwar period, but though consumer demand be-



The garment district, as seen from the top of the Empire State Bldg., showing the cluster of skyscrapers, including 1407 Broadway.

came selective, even the small volume rayon houses earned 3 per cent. Average wholesale dress price was \$7.73, which was 73 per cent above the 1939 average. Rayon dresses in 1946 sold at 61 per cent above the average for the last half of the '30's, wool dresses for 49 per cent more, cotton dresses for 87 per cent more, and housedresses were up 189 per cent. Coats sold for 67 per cent more at retail. Inventory was naturally improved over the war years.

In the first nine months of 1947, in New York 18 per cent fewer dresses were cut than in 1946, but a price rise brought the dollar volume close to 1946. Rayon prices went up another 14.5 per cent over the 1935-1939 average, as the inflated dollar deflated the pocketbook.

In 1948, apparel piled up its greatest volume, with total manufacturers' sales amounting to \$12,474,000,000. Women's wear must have accounted for over half of this amount, for its main components piled up an estimated \$5,700,000,000. Last year apparel and related products ranked eighth among the nation's industries with sales of \$10,300,000 to which the main components of the industry contributed \$5,200,000,000, over three times the 1939 figure, which did

not vary much from 1929 or 1919 figures. "Related products" does not include textile mill products, which outranked the apparel industry in sales. Total wages earned by the 436,657 employees in the industry last year came to \$960,995,000. It is difficult to compare earnings with earlier figures because of a change in the method of computation. Number of workers has increased by over 100,000 for each decade since 1929.

Over 80 per cent of New York's 3,700 dress firms now use synthetics and blends; 60 per cent use cotton, and about 33 per cent use woolen and worsted. Manufacturers buy a million and a half dollars' worth of fabrics at a time. The production man and designer sit in when the manufacturer does his buying, and the line is typed at that time, as to proportion of dresses, soft suits, and other types and selection of fabrics and colors. When production begins, patterns are laid on 250 plies, usually in four different colors, and cut out by electric knives. The pieces of each layer are bundled, and 1,000 dresses are then routed to the factory or contractor to be sewn.

Failures, a commonplace in the trade over the years, became a rarity in some years of the fabulous

'40's, dropping from a high of 321 in 1939 to just one in 1945. Prewar failures were still at a high rate, 270 in 1940 and 206 in 1941. The first full year of war they dropped to 116, just one more than the number in 1949, when the bloom went off the boom.

In 1943, there were 41 failures; in 1944 only four; in 1946, a half-dozen, though 214 firms quit business that year, while 543 started up. From then on, failures just about doubled for the next three years, 32 in 1947 out of 691 who went out of business that year. Leavetakers outnumbered the newcomers that year, for only 445 optimists entered the business. There were 61 failures in 1948 and 115 last year.

Greatest number of failures in 1949 was in the dress industry, which lost 50 of its 5,119 firms or 1 per cent. Proportionately, millinery firms accounted for the most failures, 1.6 per cent, or 15 firms out of 932. Blouse and waist firm failures were comparable, with a mortality rate of 1.5 per cent, representing 20 failures out of 1,361. Six corset and brassiere firms out of the total of 535 failed, or 1.1 per cent. Only one neckwear firm out of 166 went under; 16 suit, coat and skirt firms out of 3,970; and seven underwear firms, out of 1,516. Failures in these last three branches of the trade all amounted to less than 1 per cent.

Turnover rates are considerably higher than actual failures. According to the New York Dress Board, its industry's turnover rate for 1949 was 16.8 per cent. In 1941, in New York, 18 per cent of manufacturers and jobbers and 12 per cent of contracting firms shut up shop. Highest rate of turnover occurred in 1942, when 20.6 per cent of the firms left the industry.

The Millinery Stabilization Conference estimates that in 1949 only 8-10 per cent of their firms left the trade, about a third of the proportion for the late 1930's. Low year for hat firms was 1944, with turnover at 1 per cent; 1943 was also low with 3 per cent turnover.

Some industry leaders say this rapid turnover has

kept the industry young. One recent survey of 432 firms disclosed that less than 12 per cent had been in business twenty or more years, and that almost half were only five years old or less. The fact that the industry still, in the middle of the 20th century, operates on an outmoded small unit, semi-handcraft basis, making little use of modern methods at either manufacturing or selling levels, accounts for its attraction to entrepreneurs—and possibly for its failures. A firm with 100 employees is still considered sizable, and the rare plant with 1,500 workers is a freakish colossus, all out of town. There are not more than a half-dozen of these giants.

Recent years have seen the stock house re-emerging in the industry. They were one of the few war casualties in the trade, for in those years any manufacturer could sell anything to anybody, and the middleman found himself on the bottom.

Trade earnings deteriorated after 1947, according to estimates compiled by the National Credit Office. The sportswear industry made 2.5 per cent profit to sales on average sales of \$358,880 in 1929; 2.4 per cent in 1948 on average sales of \$399,238; and only 1.7 per cent in 1949 on average sales of \$447,937. Figures for the coat and suit industry are comparable, with a 2.8 per cent profit to sales in 1947 on average sales of \$530,599; in 1948, 2.7 per cent on average sales of \$598,978; and 1.3 per cent in 1949 on average sales of \$530,555.

Unemployment had been creeping up on the industry (1947-1949) until the war situation caused a sales spurt. In 1947, there were 464,000 production workers, according to union estimates; in 1949, the number had slumped to 441,700. This was still above the prewar figure of 330,500 in 1939. Total wages earned last year in the industry, according to union estimates, was \$1,049,152,000. The war in Korea and subsequent developments had an exhilarating effect on most branches of the trade, particularly those using wool and nylon.

